

# East Locust Creek Reservoir Project

WWW.ELCR.INFO



At 2,352 Acres, East Locust Creek Reservoir (ELCR) will be the 28th Largest Lake in the State (Similar in size to Long Branch Lake)

Volume - 54,000 Acre-Feet

Shoreline - 82 Miles

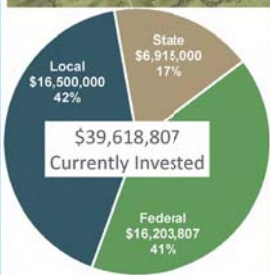
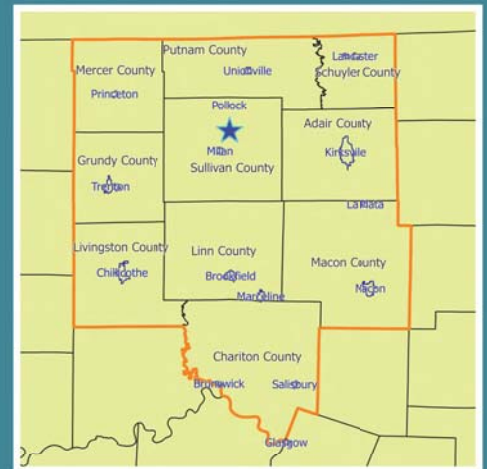
Lake Length - 6.5 Miles

Water Supply Capacity - 7 Million Gallons per Day

10 County Service Area

Reduces flooding on 18 miles of East Locust Creek

Provides a regional destination for fishing, boating, hiking, nature watching, etc





# The “Road” Traveled

## East Locust Creek Reservoir



### Local Progress

- ☐ Passed 1/2 cent sales tax with 81.25% vote (4/2010)
- ☐ Redesign of lake (lead to a reduction in acquisition cost) (9/2010)
- ☐ \$1/1,000 gallon rate increase for customers of NCMRWC (5/2011)
- ☐ Secured bond financing for land acquisition \$10 million (8/2011)
- ☐ Our Missouri Waters pilot watershed (11/2012)
- ☐ PER development & DNR grant \$90,000 (9/2013)
- ☐ Environmental assessment work & EPA grant \$700,000 + (2012-2014)
- ☐ Hazardous and household waste & EPA Grant \$93,000+ (9/2014)
- ☐ IMPLAN economic impact analysis update – DNR WRC, UMC (7/2015)
- ☐ Water rate analysis – DNR WRC (\$40,000) (7/2015)
- ☐ 99% land closed (4,288 Acres acquired, 1 easement parcels left to secure)
- ☐ Demolition and Disposal Plan
- ☐ Forest and Endangered Species Assessments
- ☐ DNR Approved Preliminary Engineering Report (PER) (11/2013 and 1/2017)

### State Support

- ☐ Lake Authority legislation effective (8/2011)
- ☐ Secured \$4 million from State of Missouri (7/2014)
- ☐ Secured \$1 million from State of Missouri (7/2015)
- ☐ PER development grant (DNR) \$150,000 (11/2015)
- ☐ Secured \$1.7 million from State of Missouri (7/2016)
- ☐ Multipurpose Water Resource Fund (MWRF) appropriation (\$1) (7/2016)
- ☐ Rulemaking underway for Multipurpose Water Resource Fund (3/2016)
- ☐ Planning Assistance to States Grants USACE/DNR WRC
  - ☐ Locust Creek Watershed Mitigation Needs Inventory \$400,000 (6/2014)
  - ☐ Water Reliability Study \$400,000 (6/2016)
- ☐ Secured \$53,250 for development of a Source Water Protection Plan (11/2016)
- ☐ CDBG Funding (\$50,000) for a regional economic development blueprint revolving around the East Locust Creek Reservoir and its impacts on the region (8/2016)

### Federal Support

- ✓ Positive Record of Decision in Federal Register from EPA (11/2006)
- ✓ Completion of phases 1-4 of engineering and design \$1.4 million (2010-2014)
- ✓ Funding for permitting and Supplemental Environ. Impact Statement \$1.5 million (8/2014)
- ✓ Funding for phase 5-7 of final engineering \$1.0 million (8/2014)
- ✓ Environmental Assessments & EPA Brownfields Cleanup Grants \$934,761 (2012-2016)
- ✓ Secured \$650,000 from NRCS for continued land acquisition (8/2015)
- ✓ Secured \$1.9 million from NRCS for continued planning, design and lake bed prep (8/2015)
- ✓ Waiver of \$341,000 payment for inundation of existing PL-566 Watersheds (1/2016)
- ✓ Secured \$5.5 million from NRCS for land, permitting, design, const. and mitigation (7/2016)

# The “Road” Ahead

## East Locust Creek Reservoir



- Legal Certification of Contiguous Land Ownership per NRCS PL-566 Requirements
  - Completion of Land Acquisition (2 ready to close, 3 in negotiation out of 81 parcels)
- Reservoir Design
  - Final Dam Plans
    - Dam Construction Permit
  - Lake Bed Preparation Plans
  - Utility & Road Relocation to Mitigate Impacts on Infrastructure and Ensure Connectivity
- Permitting
  - Supplemental Environmental Impact Statement
  - 404 Permit for Impacts to the Waters of the United States
  - 401 Permit for Assurance of Missouri Surface Water Quality
  - Stream, Wetland, Endangered Species - Mitigate for Impacts to Natural Resources
  - Dam Safety Permit
- Water Quality Assurance Plan – for Protection of Reservoir Water Quality
  - Pollock Sewer Line - (Parallel Project to Connect More than 100 People in Reservoir Watershed)
  - Source Water Protection Plan – Stakeholder Led Initiative to Manage Watershed Runoff
  - Demolition & Removal of Lake Bed Threats to Water Quality
  - Missouri Water Resources Research Center – Reservoir Water Quality Modeling Research
- Natural Resources Stewardship Plan to Manage Commission Owned Property Around the Reservoir
- Complete a regional economic development blueprint to provide valuable information to communities in the region that want to take advantage of the reservoir project (CDBG)
- Formation of Lake Authority & Governance Policies
- Complete Plan of Finance – To Determine Fiscally Responsible Pathway to Fund Project Planning, Construction and Operations
  - Implement Multipurpose Water Resources Fund Legislation for Local Match
    - Acquire Annual State Appropriations – \$1.3 Million
    - Complete Multipurpose Fund Rulemaking (DNR)
    - Provide Appropriation Assurances to USDA-RD for Loan Approval
  - Secure Construction Funds through NRCS PL-566 Program (Federal)
  - Setup Tax Increment Finance District for Reservoir Operations Funding
- Construction of Dam and Appurtenances
- Ongoing Maintenance and Operation of Lake
- Distribute & Sell Water to Customers

# East Locust Creek Reservoir (ELCR) Project (WWW.ELCR.INFO)

## Project Purpose

**To provide a reservoir capable of producing 7.0 million gallons of raw water per day for the residents and communities of north central Missouri. Additional benefits include provisions for: water-based recreational opportunities, sediment storage, and to reduce flood damages on the floodplains of East Locust Creek and the common floodplain area of Locust Creek**

## The ELCR

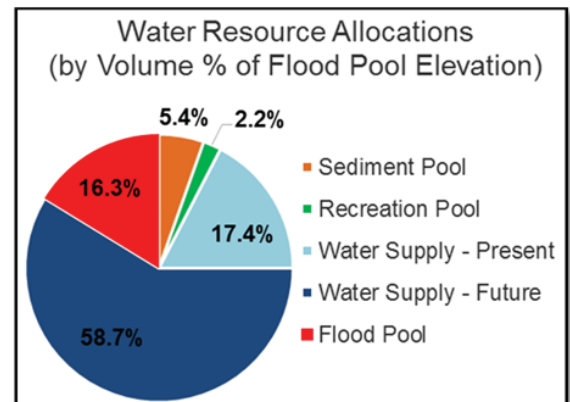
- 2,352 Acre Water Supply Reservoir
- 4,300 Acre Land Acquisition Footprint
- Dam Height – 79'
- \$110 Million Estimated Project Cost – All Inclusive
- Property Acquisition over 92% complete

## The Need

- Entire region meets disadvantaged community criteria (most communities far exceed the criteria)
- Entire region susceptible to severe drought
- No sufficient or viable groundwater or surface water source currently available
- Highest ratio of water costs to median household income (MHI) in the state (ranges 2.98%- 6.55%)
- Essential part of MDNR strategic consolidation plan

## The Local Support

- 99% of property acquired by NCMRWC
- ½ Cent County Wide Sale Tax (81.25% Favor)
- \$10 million local bond for land acquisition
- \$6 million local bond for purchase of water plant
- \$1.00 per 1,000 gallon rate increase

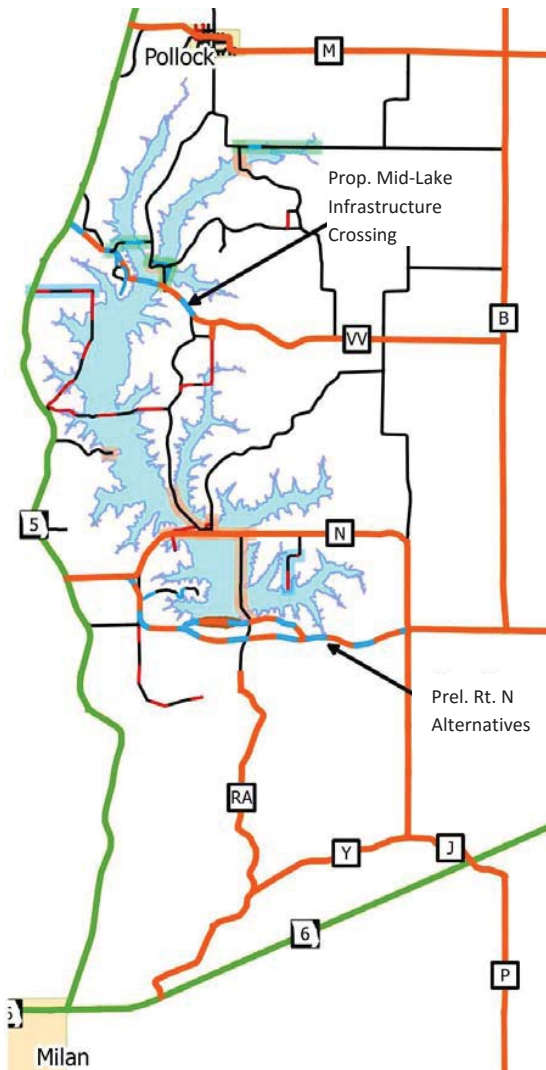
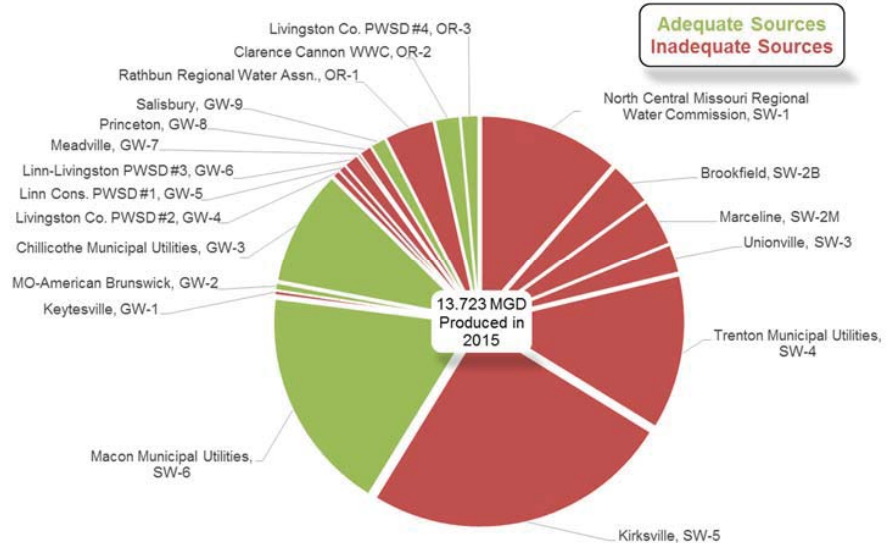


## Ten County Area Population's Characteristics and Economic Status

	10 County Area	State of Missouri	National
Population	106,628	5,982,413	309,138,711
Percent Population living below Poverty Level	18.1	15.0	14.9
Median Household Income	\$36,963	\$47,333	\$53,046
Median Home Value	\$84,552	\$138,400	\$181,400

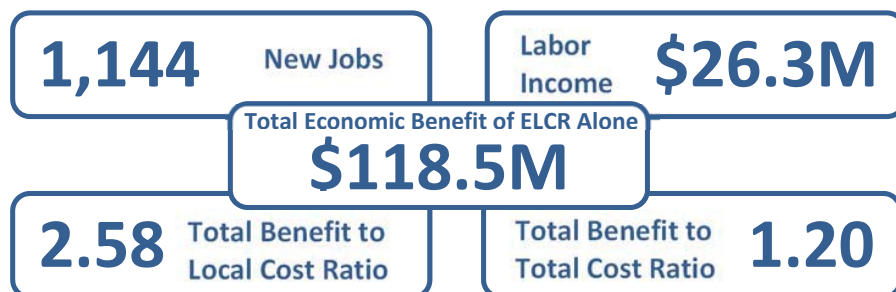
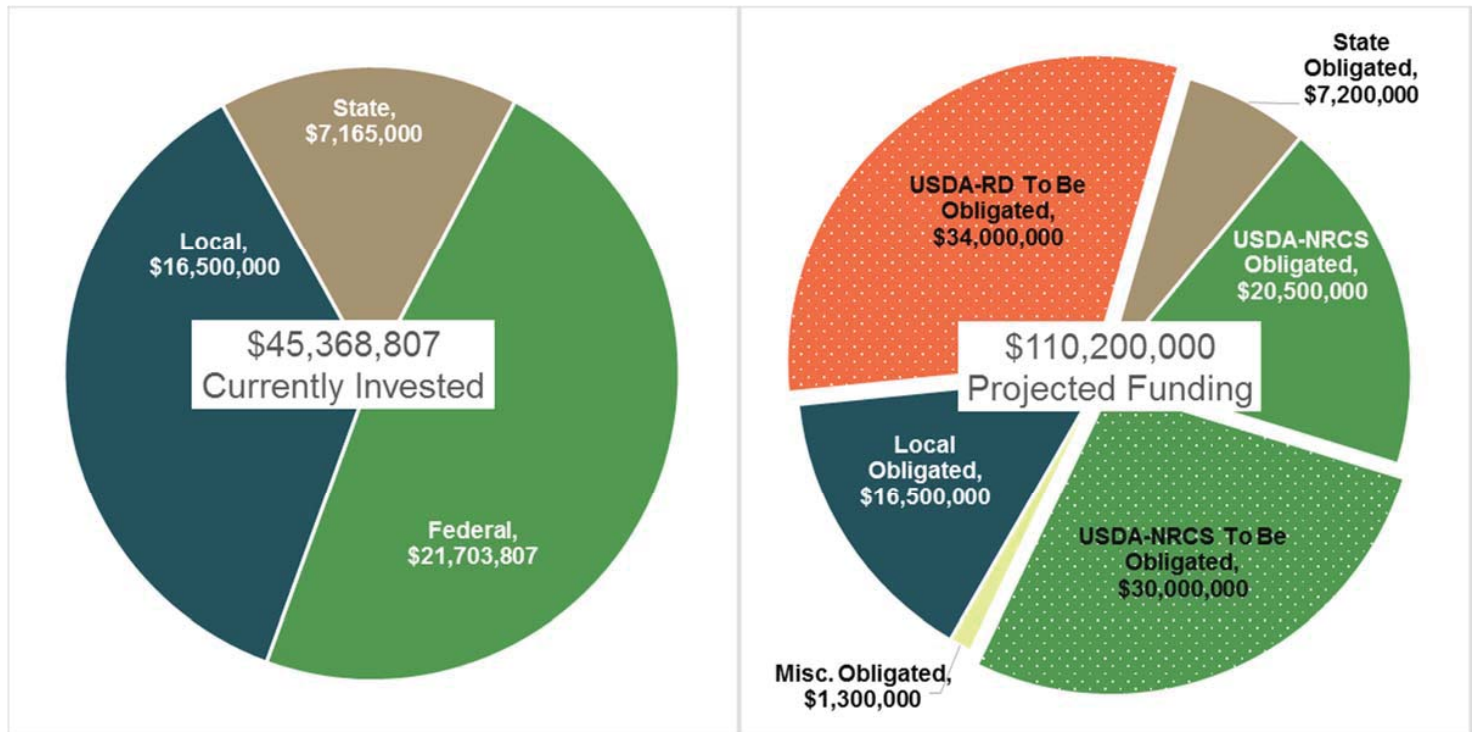
US Census Bureau, 2008-2012 American Community Survey 5-year estimates

## Regional Source Water Cluster Status



## The Innovative Financing Solution

- 15 targeted investors in the project (local, state, and federal)
- Over \$45 Million invested (see Currently Invested Chart below)
- Approximately \$64 Million in funding to be obligated to once permitting is accomplished
- The Project Team has helped develop the Multipurpose Water Resource Fund to complete the financing between a USDA-RD loan, serviced by water rates and State investment.



### The Short-Term Economic Impact of the ELCR Alone (0-20 years)

- 417 jobs created (first 6 years)
- \$59 million boost to economy equates to over \$9.8 million annually (first 6 years)
- \$17.4 million to economy (years 6-20) -nearly \$1.25 million annually
- Over \$14.0 million invested into economy during land acquisition alone

### The Long-Term Economic Impact of the ELCR Alone (20-50 years)

- 601 jobs created
- \$42 million into to economy equates to \$1.75 million annually
- \$265,000 in agricultural flood mitigation

### The Added Benefit of the TIF

- Applicable for 23 years.
- The very conservative scenario will add 49 jobs corresponding to \$1.3 million in labor income and add a value of \$6.9 million to the economy
- The conservative scenario will add 127 jobs corresponding to \$3.6 million in labor income and add a value of \$18.0 million to the economy
- The optimistic scenario will add 205 jobs corresponding to \$5.8 million in labor income and add a value of \$29.1 million to the economy.



# Missouri Multipurpose Water Resource Fund Implementation Plan for East Locust Creek Reservoir

## “Multipurpose Water Resource Program Renewable Water Program Fund” (Multipurpose Fund) (Sections 256.435-256.445, RSMo).

- In order to provide public water supply **storage, treatment, and water-related facilities** in both **urban and rural** areas of the state, there is hereby established a “Multipurpose Water Resources Program.”
- “The State may participate with a sponsor in the development, construction or renovation of a water resource project, if the sponsor has a **plan** which has been submitted to and approved by the director.”

### State of Missouri Role

- Annual Allocation to the fund as needed for state share

### Missouri DNR Oversight Role

- Maximize state's return on investment
- Assist communities in providing clean, reliable, affordable drinking water
- Apply funding as grant and/or loan where it can be most effective
- Develop rules and procedures for administering funds
- Review and approve community's business **plan** for accessing funds and verify implementation of **plan**.
- Enter into a contract with the local sponsor that meets state goals and local needs
- Advise State of Missouri regarding amount of annual allocations and revisions to rule

### Local Water Supplier Role

- Document and communicate need for assistance
- Contract with DNR to access Multipurpose Funds for initial project and subsequent expansion projects
- Access federal funding sources to leverage state dollars
- Access favorable financing
- Develop a Multipurpose Fund project business **plan**
  - Include guiding principles to verify that plan remains consistent with goals
  - Include a long range plan for system financial sustainability and reinvestment in the fund.
  - Include a marketing plan



### Benefits to Missouri

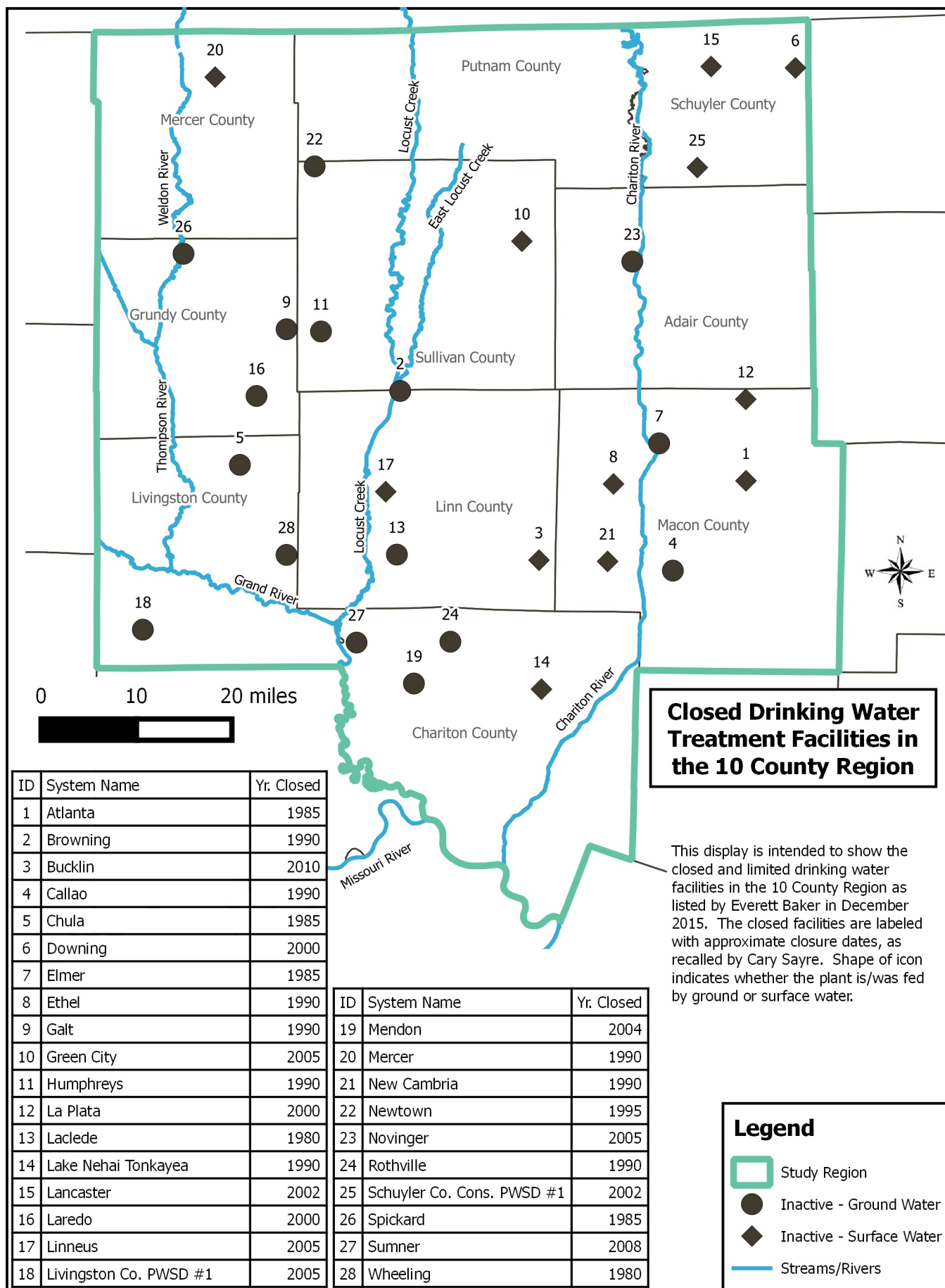
- Diversify state's water resources funding portfolio with a **state controlled** pool of money
- Significant positive return on investment
- A self-supporting system
- Leveraging of other sources of funding
- A much needed solution to severe water resource issues
- Improved drinking water quality
- Improved drinking water reliability
- Reduced water rates
- Encourages local sponsors to engage in long term planning and robust business plans

### East Locust Creek Reservoir (ELCR) Multipurpose Fund Guiding Principles

- Creating a marketable and attractive wholesale water rate to attract water distributors/customers.
- Driving expansion for regionalization through providing cost effective solutions that does not compound debt.
- Providing for an equitable distribution of the financial burden to fund a regional water supply.
- Creating a mechanism to transition the financial burden from the State back to the NCMRWC
- Enabling a methodology for a sunset of State financial support.
- Promoting a politically palatable solution for long-term State support of water projects.
- Statutorily supported by existing State law.
- Creating a self-sustaining model that can be used for ELCR and other system projects.
- Establishing a funding source that can be used to fund capacity development and system expansion.

### The ELCR Business Plan – Key Elements

- Access favorable USDA-RD grants and loans based on disadvantaged community status.
- Target a marketable water rate (\$3-\$3.75)
- Split costs with state based on ratio of current water use to future water use capacity.
- Update cost split annually – As more water is used, state share diminishes.
- Apply a portion of user rates to reinvest in the fund with a portion of the reinvestment earmarked for NCMRWC expansion and a portion for statewide water resources.
- Affordable water rate and available expansion funding encourages new customers which accelerates reduction in state share
- Set reinvestment rates to result in a favorable return on state investment



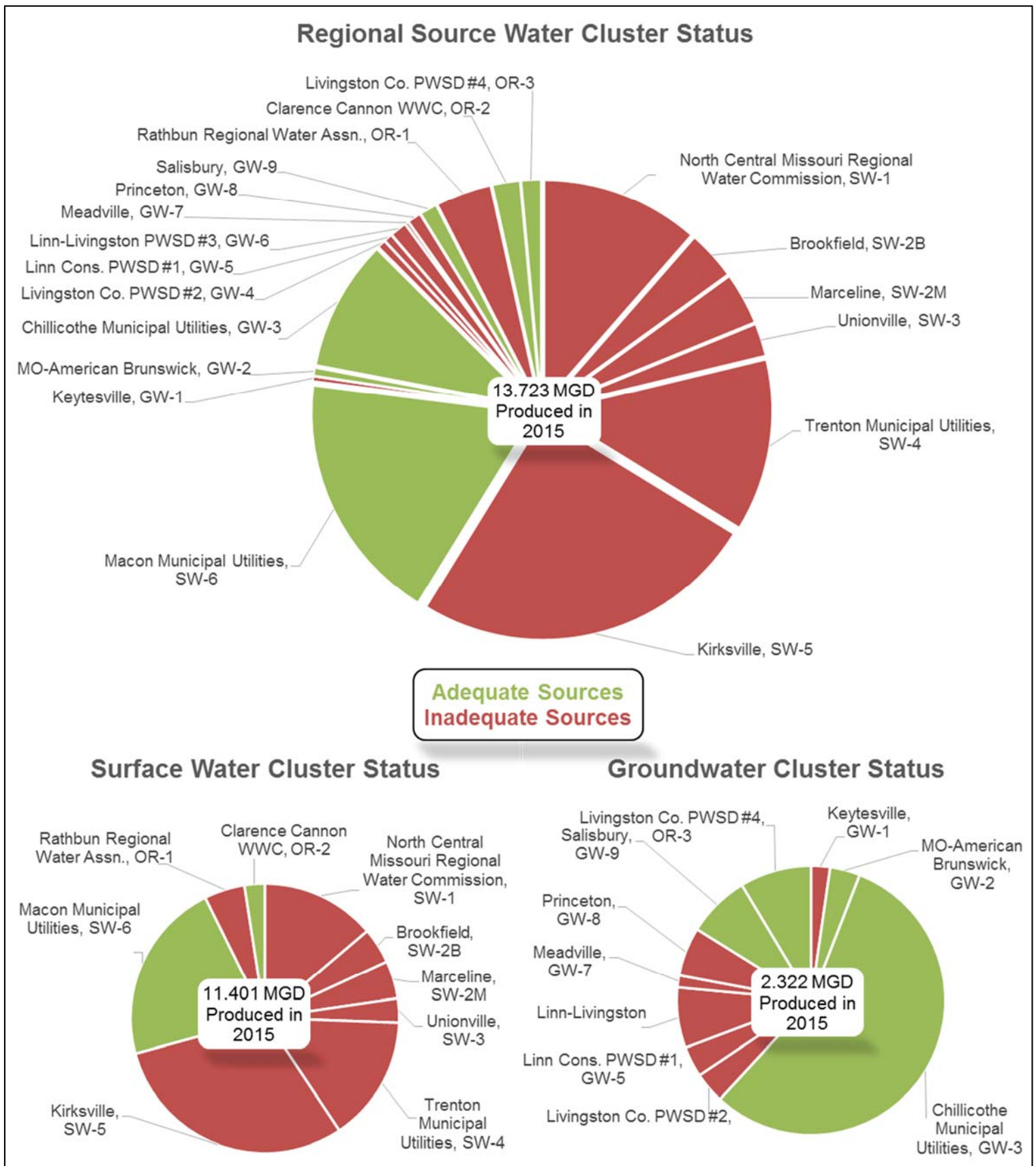


Figure 16: Summary of Cluster Status and Percent Production

Figure 17 displays on a map the evaluated clusters and summarizes the determination of their sources as adequate or inadequate.



